

Message Text

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ORIGIN EB-11

INFO OCT-01 ISO-00 AF-10 ARA-16 EA-11 EUR-25 NEA-10 RSC-01

AGR-20 CEA-02 CIAE-00 COME-00 FRB-02 H-03 INR-10 L-03

LAB-06 NSAE-00 NSC-10 PA-04 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01

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FM SECSTATE WASHDC

TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS

USMISSION GENEVA

USMISSION EC BRUSSELS

AMEMBASSY DUBLIN

AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMEMBASSY LONDON

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AMEMBASSY MBABANE

AMEMBASSY NASSAU

AMEMBASSY NEW DELHI

AMCONSUL BELIZE

AMEMBASSY BLANTYRE

AMEMBASSY PRETORIA

AMEMBASSY ROME

AMEMBASSY SUVA

AMEMBASSY TAIPEI

AMEMBASSY TANANARIVE

AMCONSUL RIO DE JANEIRO

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E.O. 11652 N/A

TAGS: ETRD, EAGR

SUBJECT: 1973 SUGAR REQUIREMENTS INCREASED: ADDITIONAL
QUOTA DEFICITS DECLARED

REF: (A) STATE 221676 (B) 224972

1. USDA ANNOUNCED NOVEMBER 27 AN INCREASE OF 100,000 SHORT TONS, RAW VALUE, IN THE DETERMINATION OF 1973 DOMESTIC SUGAR REQUIREMENTS (TOTAL QUOTAS), BRINGING THAT TOTAL TO 11.8 MILLION TONS. AT THE SAME TIME THE DEPARTMENT DECLARED A DEFICIT IN THE DOMESTIC BEET AREA QUOTA OF 47,667 TONS (ITS SHARE OF THE INCREASE IN REQUIREMENTS).

2. TODAY'S ACTION INCREASES THE MAINLAND CANE AREA QUOTA BY 17,333 TONS AND MAKES AVAILABLE 82,667 TONS OF RAW SUGAR FOR IMPORTATION INTO THE U.S. ON A FIRST-COME, FIRST-SERVED BASIS FROM ANY SUGAR PRODUCING COUNTRY OTHER THAN CUBA OR SOUTHERN RHODESIA. THE FIRST-COME, FIRST-SERVED METHOD OF OBTAINING SUGAR IS NECESSARY BECAUSE IT IS NOT PRACTICAL TO OBTAIN THE ADDITIONAL FOREIGN SUGAR MADE AVAILABLE TODAY BY THE CONVENTIONAL METHOD OF PRORATION.

3. USDA ANNOUNCED NOV. 14 THAT NO FURTHER INCREASES IN 1973 REQUIREMENTS WOULD BE MADE FOR THE TIME BEING. AT THAT TIME USDA OFFICIALS STATED THAT SUGAR SUPPLIES ON HAND, PLUS THOSE SCHEDULED FOR ARRIVAL BEFORE THE END OF THE YEAR

APPEARED TO BE ADEQUATE NOT ONLY TO SUPPLY ANTICIPATED DEMAND BUT TO PROVIDE FOR AN INCREASE IN YEAR-END REFINER'S STOCKS. USDA NOV. 27 INDICATED THAT THERE HAS NOT BEEN ANY APPARENT CHANGE IN THE STATISTICAL SITUATION. NEVERTHELESS, THE SPOT PRICE FOR RAW SUGAR HAS MOVED TO 11.10 CENTS PER POUND, AND UNDERLYING MARKET STRENGTH INDICATES THAT THE SPOT PRICE MIGHT MOVE TO HIGHER, RATHER THAN LOWER, LEVELS.

4. THE IMPORTATION OF THE ADDITIONAL SUGAR WILL BE AUTHORIZED ON THE BASIS OF APPLICATIONS FOR SUGAR QUOTA CLEARANCE (FORM SU-3) OR FOR SET-ASIDE OF QUOTA (FORM SU-8A) SUBJECT TO A CERTIFICATION THAT THE COUNTRY HAS OR WILL HAVE

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FILLED ITS CURRENTLY EFFECTIVE 1973 QUOTA ON OR BEFORE THE IMPORTATION DATE OF SUCH ADDITIONAL SUGAR. APPLICATIONS FOR SUGAR QUOTA CLEARANCE (IF ELIGIBLE FOR AUTHORIZATION) AND FOR SET-ASIDE OF QUOTA WILL BE AUTHORIZED IN THE ORDER RECEIVED, WITH FIRST PRIORITY GIVEN TO THE EARLIEST ARRIVAL DATE AND SECOND PRIORITY TO THE EARLIEST DEPARTURE DATE. AN APPLICATION FOR SUGAR QUOTA CLEARANCE ON SU-3 WILL HAVE PRIORITY OVER AN APPLICATION FOR SET-ASIDE OF QUOTA WHEN

SUCH APPLICATIONS ARE RECEIVED AT THE SAME TIME.
APPLICATIONS FOR SET-ASIDE OF QUOTA NEED TO INDICATE THE
ANTICIPATED DATES OF DEPARTURE AND ARRIVAL AND TO PROVIDE
FOR A 5-DAY TOLERANCE PERIOD BEYOND THE IMPORTATION DATE
INSTEAD OF THE 15 DAYS AS STATED ON THE PRINTED APPLI-
CATION.

5. ANY SUGAR AUTHORIZED FOR IMPORTATION PURSUANT TO THIS
ANNOUNCEMENT WHICH ARRIVES IN THE UNITED STATES AFTER MID-
NIGHT DEC. 31, 1973 WILL BE CHARGED TO AN APPLICABLE 1974
QUOTA, BE RE-EXPORTED OR BE USED FOR QUOTA-EXEMPT PURPOSES.

6. TOTAL QUOTAS AND PRORATIONS FOR FOREIGN COUNTRIES RE-
MAIN AS STATED REF (A) UNTIL ALLOCATION 82,667 TONS ACCOM-
PLISHED. KISSINGER

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Disposition History: n/a
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